

1 5558 / A
RECORDATION NO. _____ Filed 1225

ITEL

APR 4 1988-10 35 AM
INTERSTATE COMMERCE COMMISSION

Ite Rail Corporation

April 1, 1988

RECORDATION NO. _____ Filed 1225

55 Francisco Street
San Francisco, California 94133
(415) 984-4000

APR 9 1988-10 35 AM

Hon. Noretta R. McGee
Secretary
Interstate Commerce Commission
Washington, DC 20423

INTERSTATE COMMERCE COMMISSION

Date 4/6/88
Fee \$ 13.00

Washington, D.C.

Re: Lease Agreement dated as of March 23, 1988, between Ite Rail Corporation and Grand Trunk Western Railroad Company

Dear Ms. McGee:

On behalf of Ite Rail Corporation, the above instrument, in four (4) counterparts, is hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the \$13 recordation fee.

Please record this Lease under the Sublease Agreement dated as of March 23, 1988, between Ite Rail Corporation and Grand Trunk Western Railroad Company which is being filed with the ICC simultaneously with this Lease under Recordation No. _____.

The parties to the aforementioned instrument are listed below:

Ite Rail Corporation (Lessor)
55 Francsico Street
San Francisco, California 94133

Grand Trunk Western Railroad Company (Lessee)
1333 Brewery Blvd.
Detroit, Michigan 48207-2699

This Lease covers one hundred sixteen (116) 60', 100-ton, XP boxcars bearing reporting marks GTW 375400-375517.

Please return to the undersigned the stamped counterparts not required for filing purposes, together with the ICC fee receipt and acknowledgment letter.

Very truly yours,

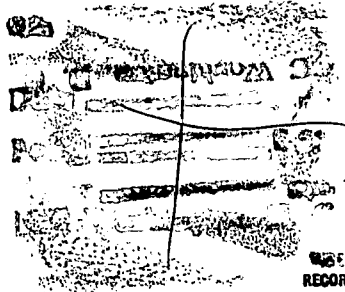
Patricia Schumacker

Patricia Schumacker
Legal Department

PS:
Enclosures

CERTIFICATION OF TRUE COPY

On March 31, 1988, I, Marianne Ledda, examined the original copy of the Lease Agreement, dated as of March 23, 1988 between Itel Rail Corporation and Grand Trunk Western Railroad Company, and I hereby certify that I have compared the attached duplicate copy with the original, and that it is a complete, true and correct copy of the original in all respects, including the dates, signatures and acknowledgements thereof.



Marianne L. Ledda
Marianne Ledda

1 5558 -A
RECORDATION NO. _____ Filed 1425

APR 4 1988-10 35 AM

STATE OF CALIFORNIA)

) ss:

INTERSTATE COMMERCE COMMISSION

COUNTY OF SAN FRANCISCO)

On March 31, 1988, before the undersigned, a Notary Public for the State of California, personally appeared Marianne Ledda, known to me to be the person whose name is subscribed to the above instrument, acknowledged that she executed the same.

Donny E. Hanger
Notary Public

03/22/88

RECORDATION NO. 1-5558-A
APR 4 1988-10 35 AM
INTERSTATE COMMERCE COMMISSION

LEASE AGREEMENT

THIS PER DIEM LEASE AGREEMENT (the "Agreement") is made as of this 23rd day of March, 1988, between ITEL RAIL CORPORATION, a Delaware corporation, 55 Francisco Street, San Francisco, California, 94133, as the lessor ("Lessor") and GRAND TRUNK WESTERN RAILROAD COMPANY, a Michigan corporation, 1333 Brewery Park Blvd., Detroit, Michigan 48207-2699, as the lessee ("Lessee").

R E C I T A L S

- A. Pursuant to the Sublease of Railroad Equipment dated as of March 23, 1988 ("Sublease"), between Lessee, as sublessor, and Lessor, as sublessee, Lessee subleased to Lessor one hundred sixteen (116) boxcars described on Equipment Schedule No. 1 hereto through January 15, 1997.
- B. The parties hereto desire that Lessor lease back the one hundred sixteen (116) boxcars to Lessee for a period of time not to exceed six (6) months during which such boxcars will remain in service with GTW reporting marks under the terms and conditions set forth herein.

1. Scope of Agreement

- A. Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor, upon the terms and conditions set forth herein, the boxcars identified on Equipment Schedule No. 1. The scheduled items of equipment are hereinafter called collectively the "Cars" and individually a "Car."
- B. It is the intent of the parties to this Agreement that for the purposes of this Agreement Lessor shall at all times be and remain the lessor of all Cars, and Lessee agrees that it will at no time take any action or file any document which is inconsistent with the foregoing intent and will take such action and execute such documents as may be necessary to accomplish this intent.

2. Term

The term of this Agreement with respect to each Car described on each Schedule shall commence at 12 noon on the date of this Agreement and shall expire as to all of the Cars six months later, provided, however, that Lessor may, at its sole option and at any time, terminate the Agreement with respect to any or all Cars by providing Lessee with not less than thirty (30) days' prior written notice ("Term").

3. Supply Provisions

Lessee hereby approves the specifications of the Cars. Lessee covenants that it shall subscribe to the Association of American railroads ("AAK") interchange rules for the duration of this Agreement.

4. Record Keeping

- A. Lessee shall, as required and at its expense, prepare and file, with respect to the Cars, all documents relating to the registration, maintenance and record keeping functions normally performed by a railroad with respect to railroad equipment of the type subject to this Agreement. Such matters shall include, but are not limited to: (i) preparation of appropriate AAK interchange agreements with respect to the Cars; (ii) registration of the Cars in the Official Railway Equipment Register and the Universal Machine Language Equipment Register ("UMLER"); and (iii) preparation of any reports as may be required from time to time by the ICC and any other regulatory agencies with respect to the Cars. Lessee shall register each Car in UMLER in such a manner that Lessor or its agent is allowed access to any required information with regard to any Car.
- B. Lessee shall perform all record keeping functions relating to the use of the Cars by Lessee and other railroads, including but not limited to, car hire reconciliation, collection and receipt of revenues from other railroad companies, records pertaining to maintenance and repair, and billing in accordance with the Interchange Rules. All record keeping performed by Lessee hereunder and all records of payments, charges and correspondence related to the Cars shall be separately recorded and maintained by Lessee in a form suitable for reasonable inspection by Lessor from time to time during Lessee's regular business hours.
- C. Lessee shall submit to Lessor a monthly report in complete AAK format for all sums due to Lessee from Lessor for such calendar month with respect to the maintenance of the Cars. Such report shall include all repair charges received by Lessee during the previous month. Lessor shall pay to Lessee all sums due pursuant to this Subsection within thirty (30) days after receipt of such monthly maintenance report and bill.

5. Maintenance, Tax and Insurance

- A. Except as otherwise provided herein, Lessor shall, at its expense, perform or have performed all inspections of, maintenance and repairs to, and servicing of the Cars as shall be necessary to maintain the Cars in good operating condition as specified in the Interchange Rules, provided, however, that such repair, maintenance and servicing shall be performed at Lessee's expense in the event it was occasioned by the fault of Lessee, or arises in those instances in which the Interchange Rules would assign responsibility to Lessee for the loss, damage, destruction or liability requiring such repair, maintenance or servicing. Lessee shall, at

its expense, inspect all Cars interchanged to Lessee to insure that such Cars are in good working order and condition and Lessee shall be liable to Lessor for any repairs required for damage not noted at the time of interchange. Lessee shall use its best efforts to minimize any damages to the Cars which may be caused by any shipper. Lessee shall not place any Car into a private contract repair facility or have any Car repaired by a private contractor on Lessee's lines unless Lessee has received prior approval from Lessor and all such repairs are performed under the direction and control of Lessor. With respect to the Cars, any repairs performed by Lessee at Lessor's expense shall be at a labor rate not to exceed the prevailing AAR Labor Rate unless a different labor rate is mutually agreed upon in writing by the parties hereto.

- B. Lessor shall also make, at its expense, all alterations, modifications or replacement of parts as shall be necessary to maintain the Cars in good operating condition as specified in the interchange rules. Lessee may only make running repairs to those parts of the Cars specified in Exhibit A attached hereto to facilitate continued immediate use of each Car, but shall not otherwise make any repairs, alterations, improvements, or additions to any Car without Lessor's prior written consent. Lessee shall be liable to Lessor for any revenues lost due to any unauthorized repair, alteration, improvement or addition.
- C. Lessee will at all times while this Agreement is in effect be responsible for the Cars while on Lessee's property or in Lessee's possession or control in the same manner that Lessee is responsible under the Interchange Rules for equipment not owned by Lessee on Lessee's property. Lessee shall protect against the consequences of an event of loss involving the Cars while on the Lessee's property, and against the consequences of an event of loss involving bodily injury or property damage, by obtaining insurance satisfactory to Lessor or by providing self insurance satisfactory to Lessor. Lessor understands that Lessee participates in Canadian National Railway insurance pool and agrees that such participation is satisfactory.
- D. Subject and subordinate to the terms of the Sublease, Lessee shall be responsible for and shall pay, when due and payable, all taxes, assessments and other governmental charges levied or assessed against: i) the Cars, other than sales or use taxes, if any, on Lessor's purchase of the Cars or any transfer of Lessor's ownership interest therein; (ii) this Agreement; and (iii) Lessee's interest in the Cars, or the ownership, operation, use or leasing thereof (together with any fines, interest, penalty or late charges imposed with respect thereto), and shall comply with all Federal, State and local laws requiring the filing of tax returns relating thereto, provided, however, the Lessee shall have no obligation to pay any net income taxes of Lessor or any tax, assessment or charge upon Lessor's right to engage in business.

6. Storage

In the event that any Car(s) are not in use during the Term, Lessee shall, at its expense, store the Cars on its railroad tracks.

7. Rent

A. Definitions

(i) "Eligible Lines" is defined as the railroad lines owned and operated by Lessee as of the commencement date of this Agreement. Unless otherwise agreed by Lessor and Lessee, any lines purchased by Lessee or added to the Eligible Lines during the Initial Term or any Extended Term are deemed to be the lines of another railroad company (a foreign road) for the purposes of determining Revenues (as defined in Subsection 7.A.(iii) hereinbelow).

(ii) "Revenues" is defined as the total revenues that are earned and collected for the use and handling of the Cars on all railroad lines other than the Eligible Lines, including, but not limited to, per diem and mileage, and similar revenues that are uncollected because of an abatement, reduction or offset caused by any action or failure of Lessee. Lessee will take reasonable care to collect amounts in the same manner as used for its own railcars.

(iii)

B. Each Car shall become subject to the rental calculation under Subsection 7.C. on the date of this Agreement.

C. Lessee agrees to pay the following rent to Lessor for the use of the Cars:

(i) In the event Revenues earned in any calendar quarter or applicable portion thereof are equal to or less than the Base Rent, Lessee shall pay to Lessor of the Revenues for such calendar quarter.

(ii) In the event Revenues earned in any calendar quarter or applicable portion thereof exceed the Base Rent, Lessor shall receive an amount equal to

D. Upon any abatement, reduction or offset as described in Subsection 7.A.(ii), Lessee shall, within ten (10) days of Lessor's request, reimburse Lessor for such amounts.

- E. The calculations required in Subsection 7.C. shall be made within five (5) months after the end of this Agreement ("Final Calculations"). However, Lessee shall pay Lessor, within sixty (60) days after each calendar month, an amount equal to one hundred percent (100%) of the Revenues received during such calendar month or one hundred eighty-two dollars (\$182.00), whichever is less. Following the Final Calculation, any amount paid to either party in excess of the amounts required shall be refunded to the appropriate party.
- F. In the event destruction or damage beyond repair of a Car has been reported in accordance with Rule 107 of the AAR Field Manual of the Interchange Rules and Car Hire Rules 7 and 8 of the AAR Code of Car Hire Rules and Interpretations-Freight, said destroyed Car will be removed from the rental calculations of this Agreement on the date car hire ceased as set forth in the aforementioned Rules 7 and 8.
- G. If any Car, while in the possession of Lessee, is damaged to the extent that it is determined to be a casualty pursuant to the Sublease, Lessee shall credit Lessor with the Casualty Value (as defined in the Sublease) toward Lessor's obligation under the Sublease.
- H. Lessee shall not enter into any agreement with any other party which affects the Revenues earned by the Cars ("Third Party Agreement(s)") without Lessor's prior written approval.
- I. Lessor and Lessee agree to cooperate with and to assist each other in any reasonable manner requested to establish and pursue proper claims against parties responsible for loss or destruction of, or damage to, the Cars, provided, however, that this shall not affect their respective obligations under this Section 7.

8. Possession and Use

- A. So long as Lessee shall not be in default under this Agreement, Lessee shall be entitled to the possession, use and quiet enjoyment of the Cars in accordance with the terms of this Agreement and in the manner and to the extent the Cars are customarily used in the railroad freight business.
- B. Lessee agrees that to the extent it has physical possession and can control use of the Cars, the Cars shall at all times be used and operated under and in compliance with the laws of the jurisdiction in which the same are operated and in which the same may be located and in compliance with all lawful acts, rules and regulations and orders of any governmental bodies or officers having power to regulate or supervise the use of such property, except that either Lessor or Lessee may in good faith and by appropriate proceedings, contest the application of any such act,

rule, regulation or order in any reasonable manner at the expense of the contesting party.

- C. The use of the Cars shall be limited to use by a rail common carrier and the Cars shall always bear the reporting marks of a rail common carrier. Lessee shall not remove Lessee's railroad marks from any Car without the prior written consent of Lessor. During the term of this Agreement, the Cars shall at all times be registered in the Official Railway Equipment Register and the UMLER.
- D. Lessor and Lessee acknowledge that the Cars are encumbered pursuant to a Conditional Sales Agreement ("CSA") and a Lease ("Lease") both dated as of June 1, 1976 and attached as exhibits to the Sublease. Aside from such encumbrances and the Sublease, Lessee will not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or other security interest or claim arising through it, on, or with respect to the Cars or any interest therein, or in this Agreement or Schedule thereto, except those created for the benefit of Lessor or any owner or secured party referred to in this Section hereinabove. Lessee will promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance, security interest, or claim if the same shall arise at any time through it and not through the Lessor.

9. Default

- A. The occurrence of any of the following events shall be an event of default:
 - (i) The nonpayment by Lessee of any sum required herein to be paid by Lessee within ten (10) days after the date any such payment is due;
 - (ii) The breach by Lessee of any other term, covenant, or condition of this Agreement, which is not cured within thirty (30) days after receiving notice of such breach;
 - (iii) The filing by or against Lessee of any petition or the initiation by or against Lessee of any proceeding: a) for any relief which includes, or might result in, any modification of the obligations of Lessee hereunder; or b) under any bankruptcy, reorganization, receivership, insolvency, moratorium or other laws relating to the relief of debtors, the readjustment of indebtedness, financial reorganization, arrangements with creditors, compositions of indebtedness;
 - (iv) The subjection of any of Lessee's property to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency;

- (v) Any action by Lessee to discontinue rail service on all or a substantial portion of its track or to abandon any of its rail properties, which would materially affect Lessee's ability to use the Cars.

B. Upon the occurrence of any event of default hereunder, without limiting Lessor's rights and remedies otherwise provided by law which shall be available to Lessor in addition to the following rights and remedies (no right or remedy of Lessor being exclusive but all such rights and remedies being available at all times to Lessor and Lessor in any case being entitled to recover all costs, expenses and attorneys' fees incurred by Lessor in enforcing its rights and remedies hereunder), Lessor may, at its option, terminate this Agreement and recover damages and/or may:

- (i) Proceed by any lawful means to enforce performance by Lessee of this Agreement or to recover damages for a breach thereof, and/or

- (ii) By notice in writing to Lessee, terminate the Cars from this Lease and thereupon Lessor may enter upon any premises where the Cars may be located and take possession of the Cars and henceforth hold, possess and enjoy the same pursuant to the Sublease. Lessor shall, in addition, have the right to recover from Lessee any and all rental amounts which under the terms of this Agreement may then be due or which may have accrued to that date, together with Lessor's costs and expenses, including reasonable attorneys' fees incurred in securing such enforcement hereof.

10. Expiration or Early Termination

Upon the expiration or early termination of this Agreement with respect to any Car, Lessee shall promptly return such Car to Lessor as follows:

Lessee shall not remove Lessee's railroad marks from any Car without the prior written consent of Lessor. Lessee shall return each Car AS IS. Lessee shall, at its expense, move each Car to an interchange point on its lines as designated in writing by Lessor and shall use its best efforts to secure for Lessor AAR Rule 5 transportation charges for movement of the Cars to a repair facility designated in writing by Lessor and located beyond Lessee's lines.

11. Indemnities

- A. LESSEE SHALL DEFEND, INDEMNIFY AND HOLD LESSOR HARMLESS FROM AND AGAINST ANY LOSS, DAMAGE, DESTRUCTION OR LIABILITY WITH RESPECT TO THE CARS WHICH IS OCCASIONED BY THE FAULT OF LESSEE, OR WHICH OCCURS WHILE THE CARS ARE IN LESSEE'S POSSESSION OR CONTROL, OR IN

THOSE INSTANCES IN WHICH THE INTERCHANGE RULES WOULD ASSIGN RESPONSIBILITY FOR SUCH LOSS, DAMAGE, DESTRUCTION, OR LIABILITY TO LESSEE.

- B. EXCEPT AS PROVIDED IN SUBSECTION 11.A., AND EXCEPT FOR THOSE CLAIMS, CAUSES OF ACTION, DAMAGES, LIABILITIES, COSTS OR EXPENSES FOR WHICH LESSEE SHALL BE RESPONSIBLE AS SET FORTH IN THIS AGREEMENT, LESSOR SHALL DEFEND, INDEMNIFY AND HOLD LESSEE HARMLESS AGAINST ANY AND ALL LOSS, DAMAGE OR DESTRUCTION OF OR TO THE CARS, USUAL WEAR AND TEAR EXCEPTED, AND ANY CLAIM, CAUSE OF ACTION, DAMAGE, LIABILITY, COST OR EXPENSE WHICH MAY BE ASSERTED AGAINST LESSEE WITH RESPECT TO THE CARS.

12. Representations, Warranties, and Covenants

Lessor and Lessee, each with respect to itself, represents, warrants and covenants that:

- A. Such party is a corporation duly organized, validly existing and in good standing under the laws of the state where it is incorporated and, insofar as is material to its rights under this Agreement, has the corporate power, authority and, is duly qualified and authorized to do business wherever necessary, to carry out its present business and operations and to own or hold under lease its properties and to perform its obligations under this Agreement.
- B. The entering into and performance of this Agreement will not violate any judgment, order, law or regulation applicable to such party, or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of such party or on the Cars pursuant to any instrument to which such party is a party or by which it or its assets may be bound, except as provided in Section 8 hereinabove.
- C. There is no action or proceeding pending or threatened against such party before any court or administrative agency or other governmental body which might result in any material adverse effect on the business, properties and assets, or conditions, financial or otherwise, of such party such that its ability to perform its obligations hereunder would be materially and adversely affected.
- D. There is no fact which such party has not disclosed to the other in writing, nor is such party a party to any agreement or instrument or subject to any charter or other corporate restriction which, so far as such party can now reasonably foresee, will individually or in the aggregate materially adversely affect the business, condition or any material portion of the properties of such party or the ability of such party to perform its obligation under this Agreement.

13. Inspection

Lessor shall have the right to enter any premises where the Cars may be located at any time during normal business hours for the purpose of inspecting and examining the Cars to ensure Lessee's compliance with its obligations hereunder.

14. Miscellaneous

- A. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, provided, however, that Lessee may not without the prior written consent of Lessor, assign this Agreement or any of its rights hereunder.
- B. It is expressly understood and agreed by the parties hereto that this Agreement constitutes a lease of the Cars only and no joint sale or venture or partnership is being created. Notwithstanding the calculation of rental payments, nothing herein shall be construed as conveying to Lessee any right, title or interest in the Cars, except as a Lessee only.
- C. No failure or delay by Lessor shall constitute a waiver or otherwise affect or impair any right, power or remedy available to Lessor nor shall any waiver or indulgence by Lessor or any partial or single exercise of any right, power, or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.
- D. This Agreement shall be governed by and construed according to the internal laws of the State of Michigan.
- E. Lessee shall notify Lessor as soon as is practicable of any accident connected with the malfunctioning or operation of the Cars, including in such report, where available, the time, place and nature of the accident and the damage caused.
- F. All notices hereunder shall be in writing and shall be deemed given when delivered personally or when deposited in the United States mail, postage prepaid, certified or registered, or when transmitted and received by telex, addressed to the president of the other party at the address set forth herein or at such other address as to which any party shall notify the other party.
- G. The obligations and liabilities of Lessor and Lessee hereunder shall survive the expiration or earlier termination of this Agreement.
- H. Nothing contained herein shall be deemed to amend, alter, abrogate, revoke, revise, or recind the respective rights and obligations of Lessor and Lessee under the Sublease.

EXHIBIT A

<u>Running Repairs</u>	<u>Running Repairs Continued</u>
Angle Cocks	wheels
Air Hose	Yokes
Train Line	Knuckles/Pins
Operating Levers and Brackets	Slack Adjuster
Sill Steps	Pedestal Locks
Grab Irons	Couplers
Brake Shoes	Draft Gears
Brake Shoe Keys	Coupler Carriers
Brake Connecting Pin	Center Plates
Brake Head Wear Plates	Lube of Hitches
In-Date-Test	Cotter Keys
Air Brakes	Roller bearing Adapters
Hand Brakes	Air Hose Supports
Brake Beams and Levers	
Truck Springs	
Door Hardware	

- I. This Agreement represents the entire Agreement. This Agreement shall not be modified, altered, or amended, except by an agreement in writing signed by the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ITEL RAIL CORPORATION

By: *[Signature]*

Title: President

Date: March 23, 1988

GRAND TRUNK WESTERN RAILROAD COMPANY

By: *P. S. [Signature]*

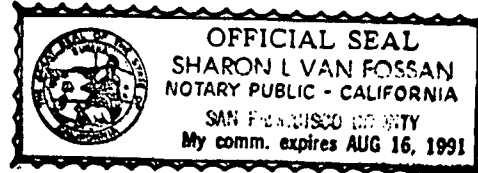
Title: SVP Finance

Date: 3-23-88

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN FRANCISCO)

On this 23rd day of March, 1988, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of Itel Kail Corporation, that the foregoing Lease Agreement was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sharon L. Van Fossan
Notary Public



STATE OF MICHIGAN)
) ss:
COUNTY OF WAYNE)

On this 23rd day of March, 1988, before me personally appeared P.E. Tzetro, to me personally known, who being by me duly sworn says that such person is St. V. P. Finance of Grand Trunk Western Railroad Company, that the foregoing Lease Agreement was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

J. A. Bremer
Notary Public

J. A. BREMER
Notary Public, Wayne County, Mich.
My Commission Expires Oct. 15, 1989

EQUIPMENT SCHEDULE NO. 1

Itel Rail Corporation hereby leases the following Cars to Grand Trunk Western Railroad Company subject to the terms and conditions of that certain Lease Agreement dated as of March 23, 1988.

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions		Height	Doors Width	No. of Cars
				Inside Width				
XP	60', 100-Ton, Plate E Boxcars, cushion underframe	GTW 375400- 375517	58'3" to 60'8"	9'1" to 9'6"		11'6"	16'	116

ITEL RAIL CORPORATION

By: 

Title: President

Date: March 23, 1988

GRAND TRUNK WESTERN RAILROAD COMPANY

By: P. S. Intra

Title: SUP. Finance

Date: 3-23-88

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN FRANCISCO)

On this 23rd day of March, 1988, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of Ite! Mail Corporation, that the foregoing Equipment Schedule No. 1 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sharon L. Van Fossan
Notary Public



STATE OF MICHIGAN)
) ss:
COUNTY OF WAYNE)

On this 23rd day of March, 1988, before me personally appeared P.E. Telro, to me personally known, who being by me duly sworn says that such person is Sh. V. P. Finance of Grand Trunk Western Railroad Company, that the foregoing Equipment Schedule No. 1 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

J. A. Bremer
Notary Public

J. A. BREMER
Notary Public, Wayne County, Mich.
My Commission Expires Oct. 15, 1989

STATE OF MICHIGAN)
) SS:
COUNTY OF WAYNE)

On this 23rd day of March, 1988, before me personally appeared P.E. Tatro, to me personally known, who being by me duly sworn says that such person is St. V. P. Finance of Grand Trunk Western Railroad Company, that the foregoing Sublease was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

J. A. Brewer
Notary Public

J. A. BREWER
Notary Public, Wayne County, Mich.
My Commission Expires Oct. 15, 1989

STATE OF CALIFORNIA)
) SS:
COUNTY OF SAN FRANCISCO)

On this 23rd day of March, 1988, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of Itel Rail Corporation, that the foregoing Sublease was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sharon L. Van Fossan
Notary Public

